

This Offering Circular constitutes an offering of these Bonds (as defined below) only in those jurisdictions and to those persons where and to whom they may be lawfully offered for sale, and therein only by those persons permitted to sell such securities. No securities commission or similar authority in Canada or elsewhere has in any way passed upon the merits of the securities offered hereunder, and any representation to the contrary is an offence. No person is authorized to give any information or to make any representation not contained in this Offering Circular and, if given or made, such representation must not be relied upon. All capitalized terms used herein and not otherwise defined are as defined below under the heading "Glossary".

Offering Circular dated December 10, 2013

Canada

The Bonds (as defined below) offered pursuant to this Offering Circular benefit from a direct, absolute, unconditional and irrevocable guarantee of Canada authorizing any amount required to be paid by the terms of the guarantee out of the Consolidated Revenue Fund of Canada. The Bonds will be assigned a rating of "Aaa" by Moody's Investors Service, Inc., "AAA" by Standard & Poor's, a Standard & Poor's Financial Services LLC business, and "AAA" by DBRS Limited. The assignment of credit ratings is not a recommendation by a rating agency to buy, sell or hold the Bonds and such credit rating may be subject to review, reduction, suspension, revision or withdrawal at any time by the assigning rating agency. Please also refer to "Credit Ratings" below.



**MUSKRAT FALLS / LABRADOR TRANSMISSION ASSETS FUNDING TRUST
(Bond Index Symbol – CANMFA)**

Cdn\$650,000,000 Aggregate Principal Amount of 3.63% Bonds, Series A, Due June 1, 2029
Cdn\$675,000,000 Aggregate Principal Amount of 3.83% Bonds, Series B, Due June 1, 2037
Cdn\$1,275,000,000 Aggregate Principal Amount of 3.86% Bonds, Series C, Due December 1, 2048

**LABRADOR - ISLAND LINK FUNDING TRUST
(Bond Index Symbol – CANLIL)**

Cdn\$725,000,000 Aggregate Principal Amount of 3.76% Bonds, Series A, Due June 1, 2033
Cdn\$600,000,000 Aggregate Principal Amount of 3.86% Bonds, Series B, Due December 1, 2045
Cdn\$1,075,000,000 Aggregate Principal Amount of 3.85% Bonds, Series C, Due December 1, 2053

TD Securities Inc.

Goldman, Sachs
& Co.

BMO Nesbitt
Burns Inc.

CIBC World
Markets Inc.

RBC Dominion
Securities Inc.

Scotia Capital
Inc.

Desjardins
Securities Inc.

National Bank
Financial Inc.

Beacon
Securities
Limited

Casgrain &
Company
Limited

HSBC
Securities
(Canada) Inc.

Laurentian
Bank
Securities Inc.

Merrill Lynch
Canada Inc.

This Offering Circular relates to the offering by Muskrat Falls / Labrador Transmission Assets Funding Trust (“**MF LTA Trust**”) of \$650,000,000 aggregate principal amount of bonds, designated as Series A, due June 1, 2029 (the “**MF LTA Series A Bonds**”), \$675,000,000 aggregate principal amount of bonds, designated as Series B, due June 1, 2037 (the “**MF LTA Series B Bonds**”) and \$1,275,000,000 aggregate principal amount of bonds, designated as Series C, due December 1, 2048 (the “**MF LTA Series C Bonds**”) and collectively with the MF LTA Series A Bonds and the MF LTA Series B Bonds, the “**MF LTA Bonds**”) and to the offering by Labrador – Island Link Funding Trust (“**LIL Trust**”) of \$725,000,000 aggregate principal amount of bonds, designated as Series A, due June 1, 2033 (the “**LIL Series A Bonds**”), \$600,000,000 aggregate principal amount of bonds, designated as Series B, due December 1, 2045 (the “**LIL Series B Bonds**”) and \$1,075,000,000 aggregate principal amount of bonds, designated as Series C, due December 1, 2053 (the “**LIL Series C Bonds**”) and collectively with the LIL Series A Bonds and the LIL Series B Bonds, the “**LIL Bonds**”). The MF LTA Bonds and the LIL Bonds are collectively referred to as the “**Bonds**”.

Price: \$1,016.99 per \$1,000 principal amount of MF LTA Series A Bonds
\$1,020.44 per \$1,000 principal amount of MF LTA Series B Bonds
\$1,021.54 per \$1,000 principal amount of MF LTA Series C Bonds

\$1,018.47 per \$1,000 principal amount of LIL Series A Bonds
\$1,022.47 per \$1,000 principal amount of LIL Series B Bonds
\$1,016.67 per \$1,000 principal amount of LIL Series C Bonds

TD Securities Inc. (the “**Sole Bookrunner**”) together with Goldman, Sachs & Co. (with the Sole Bookrunner, the “**Underwriters**”), as principals, and a syndicate of agents which includes BMO Nesbitt Burns Inc., CIBC World Markets Inc., RBC Dominion Securities Inc. and Scotia Capital Inc. (together with the Underwriters, the “**Joint Lead Agents**”) and a syndicate of co-managers which includes Desjardins Securities Inc., National Bank Financial Inc., Beacon Securities Limited, Casgrain & Company Limited, HSBC Securities (Canada) Inc., Laurentian Bank Securities Inc. and Merrill Lynch Canada Inc. (collectively with the Joint Lead Agents, the “**Agents**”), conditionally offer the Bonds if, as and when sold by MF LTA Trust in accordance with the MF LTA Underwriting Agreement referred to under “Plan of Distribution” and if, as and when sold by LIL Trust in accordance with the LIL Underwriting Agreement referred to under “Plan of Distribution”, all subject to the approval of certain legal matters by Fasken Martineau DuMoulin LLP and McInnes Cooper on behalf of MF LTA Trust and LIL Trust, and McCarthy Tétrault LLP and Stewart McKelvey on behalf of the Underwriters and Agents.

This Offering Circular should not be construed as containing investment, legal or tax advice to any particular purchaser of Bonds. Investors should consult their own investment, legal, tax and other advisors regarding any financial, legal, tax and other aspects of any purchase of Bonds.

NOTICE TO PROSPECTIVE INVESTORS

This Offering Circular has been prepared solely by MF LTA Trust and LIL Trust, and is provided to prospective purchasers of Bonds pursuant to this offering on a private and confidential basis for use solely in connection with their consideration of the purchase of all or a portion of the Bonds to be issued by MF LTA Trust and LIL Trust, and the use of this Offering Circular for any other purpose is not authorized and is prohibited. This Offering Circular may not be reproduced in

whole or in part, nor may any of its contents be divulged to third parties, without the prior written consent of MF LTA Trust, LIL Trust and the Sole Bookrunner.

THIS OFFERING CIRCULAR, ALL INFORMATION CONTAINED HEREIN, ALL DOCUMENTS DELIVERED IN CONNECTION HEREWITH, THE INVOLVEMENT OF AND OPINIONS RELATING TO CANADA AND ALL OTHER INFORMATION OBTAINED BY PROSPECTIVE BONDHOLDERS IN RELATION TO THE PROJECTS ARE CONFIDENTIAL. BY ACCEPTING A COPY OF THIS OFFERING CIRCULAR, RECIPIENTS AGREE THAT THE INFORMATION CONTAINED IN THIS OFFERING CIRCULAR, ALL DOCUMENTS DELIVERED IN CONNECTION HEREWITH, THE INVOLVEMENT OF AND OPINIONS RELATING TO CANADA AND ALL OTHER INFORMATION OBTAINED BY PROSPECTIVE PURCHASERS OF THE BONDS IN RELATION TO THE PROJECTS ARE CONFIDENTIAL, THAT THE RECIPIENT WILL ONLY USE THE INFORMATION FOR THE PURPOSES OF CONSIDERING A PURCHASE OF THE BONDS AND FOR NO OTHER PURPOSE AND THAT ALL SUCH DOCUMENTS AND INFORMATION WILL BE MAINTAINED IN A SECURE PLACE.

NOTICE REGARDING OFFERS IN THE EUROPEAN ECONOMIC AREA

This Offering Circular is not a prospectus for the purposes of the Prospectus Directive. This Offering Circular has been prepared on the basis that any offer of the Bonds in any Member State of the European Economic Area which has implemented Directive 2003/71/EC, as amended (the “Prospectus Directive”) (each, a “Relevant Member State”) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Bonds. Accordingly any person making or intending to make an offer in that Relevant Member State of Bonds which are the subject of the offering contemplated in this Offering Circular may only do so in circumstances in which no obligation arises for MF LTA Trust, LIL Trust or any Underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Directive, in each case, in relation to such offer. Neither MF LTA Trust, LIL Trust nor any Underwriter has authorized, nor do they authorize, the making of any offer of Bonds in circumstances in which an obligation arises for MF LTA Trust, LIL Trust or any Underwriter to publish a prospectus for such offer. For the purposes of this paragraph, the expression “Prospectus Directive” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in each Relevant Member State, and the expression “2010 PD Amending Directive” means Directive 2010/73/EU.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED KINGDOM

In the United Kingdom, this Offering Circular is for distribution only to: (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “Order”); or (ii) high net worth companies and other persons to whom it may lawfully be communicated, falling within Articles 49(2)(a) to (d) of the Order (all such persons together being referred to as “Relevant Persons”). In the United Kingdom, this Offering Circular and any of its contents are directed only at Relevant Persons and must not be acted on or relied on by persons who are not Relevant Persons. In the United Kingdom, any investment or investment activity to which this Offering Circular relates is available only to Relevant Persons and will be engaged in only with Relevant Persons.

IMPORTANT NOTICES

The information in this Offering Circular is given in a summary form and does not purport to be complete. It is not intended to be relied upon as advice to potential investors and does not take into account the investment objectives, financial situation or needs of any particular potential investor. Recipients of this Offering Circular must make their own assessment and/or seek independent advice on financial, legal, tax and other matters, including the merits and risks prior to making an investment decision.

FORWARD LOOKING STATEMENTS

This Offering Circular contains certain “forward-looking statements”. These forward-looking statements are based on the beliefs of the Issuer management as well as assumptions made by and information currently available to the Issuer, and speak only as of the date of this Offering Circular. Forward-looking statements involve known and unknown risks, assumptions, uncertainties and other important factors that could cause actual results, performance or achievements, or industry results, to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements (and from past results, performance or achievements). These forward-looking statements include, but are not limited to, all statements other than statements of historical facts, including, without limitation, those regarding strategy, plans, objectives, goals and targets and future developments. The Issuer can give no assurance that the forward-looking statements in this Offering Circular will not materially differ from actual results, and the inclusion of forward-looking statements in the Offering Circular should not be regarded as a representation by the Issuer or any other person that they will be achieved. Recipients of this Offering Circular are cautioned not to place undue reliance on forward looking statements and the Issuer assumes no obligation to update such information.

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SUMMARY OF THE OFFERING

MF LTA Trust:	Muskrat Falls/Labrador Transmission Assets Funding Trust
LIL Trust:	Labrador – Island Link Funding Trust
The Offering:	\$650,000,000 aggregate principal amount of MF LTA Series A Bonds \$675,000,000 aggregate principal amount of MF LTA Series B Bonds \$1,275,000,000 aggregate principal amount of MF LTA Series C Bonds \$725,000,000 aggregate principal amount of LIL Series A Bonds \$600,000,000 aggregate principal amount of LIL Series B Bonds \$1,075,000,000 aggregate principal amount of LIL Series C Bonds
Price:	\$1,016.99 per \$1,000 principal amount of MF LTA Series A Bonds \$1,020.44 per \$1,000 principal amount of MF LTA Series B Bonds \$1,021.54 per \$1,000 principal amount of MF LTA Series C Bonds \$1,018.47 per \$1,000 principal amount of LIL Series A Bonds \$1,022.47 per \$1,000 principal amount of LIL Series B Bonds \$1,016.67 per \$1,000 principal amount of LIL Series C Bonds
Minimum Denomination:	\$300,000 and integral multiples of \$1,000 thereafter
Maturity:	The MF LTA Series A Bonds will mature on June 1, 2029. The MF LTA Series B Bonds will mature on June 1, 2037. The MF LTA Series C Bonds will mature on December 1, 2048. The LIL Series A Bonds will mature on June 1, 2033. The LIL Series B Bonds will mature on December 1, 2045. The LIL Series C Bonds will mature on December 1, 2053.
Interest:	The MF LTA Series A Bonds will bear interest at 3.63% per annum payable semi-annually in arrears on June 1 and December 1 in each year, commencing on June 1, 2014, except that the first payment of interest will reflect accrued interest from December 13, 2013. The MF LTA Series B Bonds will bear interest at 3.83% per annum payable semi-annually in arrears on June 1 and December 1 in each year, commencing on June 1, 2014, except that the first payment of interest will reflect accrued interest from December 13, 2013. The MF LTA Series C Bonds will bear interest at 3.86% per annum payable semi-annually in arrears on June 1 and December 1 in each year commencing on June 1, 2014, except that the first payment of interest will reflect accrued interest from December 13, 2013. The LIL Series A Bonds will bear interest at 3.76% per annum payable semi-annually in arrears on June 1 and December 1 in each year, commencing on June 1, 2014, except that the first payment of interest will reflect accrued interest from December 13, 2013. The LIL Series B Bonds will bear interest at 3.86% per annum payable semi-annually in arrears on June 1 and December 1 in each year, commencing on June 1, 2014, except that the first payment of interest will reflect accrued

interest from December 13, 2013.

The LIL Series C Bonds will bear interest at 3.85% per annum payable semi-annually in arrears on June 1 and December 1 in each year commencing on June 1, 2014, except that the first payment of interest will reflect accrued interest from December 13, 2013.

Ranking:

The obligations of MF LTA Trust to pay principal of and interest on the MF LTA Bonds rank equally with all of MF LTA Trust's other unsecured and unsubordinated indebtedness and obligations issued and outstanding from time to time.

The obligations of LIL Trust to pay principal of and interest on the LIL Bonds rank equally with all of LIL Trust's other unsecured and unsubordinated indebtedness and obligations issued and outstanding from time to time.

Canada Guarantees:

Each of the Canada Guarantees constitutes a direct, absolute, unconditional and irrevocable obligation of Canada and as such carries the full faith and credit of Canada. Canada has AAA ratings or equivalent from each of Moody's, Standard & Poor's, DBRS and Fitch Ratings. Any amounts payable under the Canada Guarantees in respect of the payment obligations of MF LTA Trust under the MF LTA Master Trust Indenture, the MF LTA Supplemental Indentures and the MF LTA Bonds, and in respect of the payment obligations of LIL Trust under the LIL Master Trust Indenture, the LIL Supplemental Indentures and the LIL Bonds, are payable out of the Consolidated Revenue Fund of Canada. Each of the Canada Guarantees ranks equally with all of Canada's other unsecured and unsubordinated indebtedness and obligations issued and outstanding from time to time.

Right of Redemption:

MF LTA Trust will have the right to redeem the MF LTA Bonds prior to maturity for the amount described under the heading "Description of Bonds - Early Redemption".

LIL Trust will have the right to redeem the LIL Bonds prior to maturity for the amount described under the heading "Description of Bonds - Early Redemption".

Depository Service:

Registrations and transfers of Bonds will be effected through the book-based systems administered by CDS, DTC, Clearstream, Luxembourg and Euroclear. Global certificates representing the MF LTA Series A Bonds, the MF LTA Series B Bonds, the MF LTA Series C Bonds, the LIL Series A Bonds, the LIL Series B Bonds and the LIL Series C Bonds will be held by CDS and definitive Bond certificates will not be available for delivery to Investors except in certain circumstances described under "Description of Bonds - Definitive Certificates".

Entitlement to Principal and Interest:

The Fiscal and Paying Agent will pay to CDS as registered holder of the Bonds, the semi-annual interest payments on each applicable payment date, the principal amount on the applicable maturity date and any proceeds payable in connection with an early redemption. These payments will be made by the Fiscal and Paying Agent to CDS from funds received by it from MF LTA Trust in respect of the MF LTA Bonds and from LIL Trust in respect of the LIL Bonds. Owners of beneficial interests in the Bonds will receive payment in accordance with the customary procedures of CDS, DTC, Clearstream, Luxembourg and Euroclear.

CURRENCY

All amounts in this Offering Circular are expressed in Canadian dollars.

GLOSSARY

In addition to the terms defined elsewhere in this Offering Circular, the following terms used in this Offering Circular have the following meanings:

“**Business Day**” means a day other than a Saturday, Sunday, or statutory holiday in the Province of Newfoundland and Labrador, the Province of Ontario or the State of New York or any other day on which banking institutions in St. John’s Newfoundland and Labrador, Toronto, Ontario or New York, New York are not open for the transaction of business.

“**Canada**” means the Government of Canada or Her Majesty the Queen in Right of Canada, as the context requires.

“**Canada Guarantees**” means the guarantees of Canada granted to the Indenture Trustee, pursuant to which Canada guarantees payment of the Guaranteed Obligations of MF LTA Trust and LIL Trust, respectively.

“**Canada Opinion**” means the opinion of the Department of Justice, Canada, in respect of each of the Canada Guarantees to be delivered on the date of the issuance of the Bonds.

“**Canada Yield Price**” in relation to any Bond being redeemed means the price, calculated at 11:30 a.m. (St. John's, Newfoundland and Labrador standard time) on the fifth Business Day preceding the date on which the Bonds are to be redeemed, which is that price that will provide a yield to maturity on such Bond (determined from the date on which the Bonds are to be redeemed), expressed as a rate per annum, compounded semi-annually and calculated in accordance with generally accepted financial practice, equal to the Government of Canada Yield.

“**Cassels Opinion**” means the opinion of Cassels Brock & Blackwell LLP in respect of each of the Canada Guarantees to be delivered on the date of issuance of the Bonds.

“**CDS**” means CDS Clearing and Depository Services Inc. and its successors.

“**Clearstream, Luxembourg**” means Clearstream Banking, société anonyme.

“**Closing Date**” means December 13, 2013 or such other date as may be agreed upon by MF LTA Trust, LIL Trust, Canada and the Underwriters in respect of the issuance of the Bonds.

“**DBRS**” means DBRS Limited.

“**DTC**” means The Depository Trust Company.

“**Euroclear**” means Euroclear Bank S.A./N.V.

“**European Economic Area**” or “**EEA**” mean the Member States of the European Union together with Iceland, Norway and Liechtenstein.

“**Fiscal and Paying Agency Agreements**” means, collectively, the MF LTA Fiscal and Paying Agency Agreement and the LIL Fiscal and Paying Agency Agreement.

“Fiscal and Paying Agent” means The Toronto-Dominion Bank, in its capacity as fiscal and paying agent under each of the Fiscal and Paying Agency Agreements.

“Fitch Ratings” means Fitch Ratings, Inc.

“Government of Canada Yield” means, on any date, the then current mid-market yield to maturity on such date expressed as a rate per annum, which a non-callable Government of Canada bond issued in Canadian dollars in Canada with interest payable semi-annually, not in advance, would yield if issued at 100% of its principal amount on such date with a term to maturity equal to the remaining average life of the Bonds being redeemed.

“Guaranteed Obligations” means, collectively, (a) the payment obligations of MF LTA Trust to holders of the MF LTA Bonds as to the MF LTA Bonds under the MF LTA Master Trust Indenture, the MF LTA Supplemental Indentures and the MF LTA Bonds including, without limitation, payment of all regularly scheduled instalments of principal of, and interest on, the MF LTA Bonds and all amounts payable upon early redemption of the MF LTA Bonds, and (b) the payment obligations of LIL Trust to holders of the LIL Bonds as to the LIL Bonds under the LIL Master Trust Indenture, the LIL Supplemental Indentures and the LIL Bonds including, without limitation, payment of all regularly scheduled instalments of principal of, and interest on, the LIL Bonds and all amounts payable upon early redemption of the LIL Bonds.

“Indenture Trustee” means Computershare Trust Company of Canada, in its capacity as indenture trustee under each of the Master Trust Indentures.

“Investors” means the purchasers of the Bonds under this offering.

“LIL Fiscal and Paying Agency Agreement” means the fiscal and paying agency agreement between LIL Trust, the Indenture Trustee and the Fiscal and Paying Agent to be entered into on or before the Closing Date.

“LIL Master Trust Indenture” means that certain master trust indenture dated as of November 29, 2013 between LIL Trust and the Indenture Trustee.

“LIL Operating Company” means Labrador – Island Link Operating Corporation, a corporation that is a subsidiary of Nalcor;

“LIL Project” means the construction of the Labrador - Island Link transmission line by LIL Partnership and the operation of the Labrador – Island Link transmission line by the LIL Operating Company, all as more fully described below under “The Projects”.

“LIL Partnership” means Labrador – Island Link Limited Partnership acting through its general partner, Labrador – Island Link General Partner Corporation, a limited partnership that is majority owned by Nalcor.

“LIL Series A Maturity Date” means June 1, 2033.

“LIL Series B Maturity Date” means December 1, 2045.

“LIL Series C Maturity Date” means December 1, 2053.

“**LIL Supplemental Indentures**” means, collectively, the supplemental indenture to the LIL Master Trust Indenture pursuant to which the LIL Series A Bonds will be created and issued, the supplemental indenture to the LIL Master Trust Indenture pursuant to which the LIL Series B Bonds will be created and issued and the supplemental indenture to the LIL Master Trust Indenture pursuant to which the LIL Series C Bonds will be created and issued.

“**LIL Underwriting Agreement**” means the underwriting agreement between LIL Trust, LIL Partnership and the Underwriters, among others, to be entered into on or before the Closing Date.

“**Master Trust Indentures**” means, collectively, the LIL Master Trust Indenture and the MF LTA Master Trust Indenture.

“**MF LTA Fiscal and Paying Agency Agreement**” means the fiscal and paying agency agreement between MF LTA Trust, the Indenture Trustee and the Fiscal and Paying Agent to be entered into on or before the Closing Date.

“**MF LTA Master Trust Indenture**” means that certain master trust indenture dated as of November 29, 2013 between MF LTA Trust and the Indenture Trustee.

“**MF LTA Project**” means the construction and operation of the hydroelectric facility and transmission line by the MF LTA Project Companies, more fully described below under “The Projects”.

“**MF LTA Project Companies**” means, collectively, Muskrat Falls Corporation and Labrador Transmission Corporation, of which each is a corporation that is a subsidiary of Nalcor.

“**MF LTA Series A Maturity Date**” means June 1, 2029.

“**MF LTA Series B Maturity Date**” means June 1, 2037.

“**MF LTA Series C Maturity Date**” means December 1, 2048.

“**MF LTA Supplemental Indentures**” means, collectively, the supplemental indenture to the MF LTA Master Trust Indenture pursuant to which the MF LTA Series A Bonds will be created and issued, the supplemental indenture to the MF LTA Master Trust Indenture pursuant to which the MF LTA Series B Bonds will be created and issued and the supplemental indenture to the MF LTA Master Trust Indenture pursuant to which the MF LTA Series C Bonds will be created and issued.

“**MF LTA Underwriting Agreement**” means the underwriting agreement between MF LTA Trust, the MF LTA Project Companies and the Underwriters, among others, to be entered into on or before the Closing Date.

“**Moody’s**” means Moody’s Investors Service, Inc.

“**Nalcor**” means Nalcor Energy.

“**Opinions**” means, collectively, the Canada Opinion and the Cassels Opinion.

“**Participant**” means a participant in the book-based system for securities transfers operated by CDS, DTC, Clearstream, Luxembourg or Euroclear, as the context may require.

“**Projects**” means, collectively, the MF LTA Project and the LIL Project.

“Standard & Poor’s” means Standard & Poor’s, a Standard & Poor’s Financial Services LLC business.

“Supplemental Indentures” means, collectively, the LIL Supplemental Indentures and the MF LTA Supplemental Indentures.

“Underwriting Agreements” means, collectively, the LIL Underwriting Agreement and the MF LTA Underwriting Agreement.

MF LTA TRUST

MF LTA Trust is a trust settled by BNY Trust Company of Canada under the laws of the Province of Newfoundland and Labrador. MF LTA Trust's main purpose is to raise funds by way of the issuance of bonds with the proceeds of such bonds to be on-lent by MF LTA Trust to the MF LTA Project Companies to enable them to develop, construct and commission the MF LTA Project.

LIL TRUST

LIL Trust is a trust settled by BNY Trust Company of Canada under the laws of the Province of Newfoundland and Labrador. LIL Trust's main purpose is to raise funds by way of the issuance of bonds with the proceeds of such bonds to be on-lent by LIL Trust to LIL Construction Project Trust and then to be on-lent by LIL Construction Project Trust to LIL Partnership to enable it to develop, construct and commission the LIL Project. The LIL Project will be operated by LIL Operating Company.

THE PROJECTS

MF LTA Project

The MF LTA Project includes construction of an approximately 824 megawatt (MW) hydroelectric facility and a 250 km High Voltage direct current (“**HVdc**”) transmission line connecting the foregoing new hydroelectric facility to an existing 5,400 MW hydroelectric facility at Churchill Falls, Labrador that will deliver electricity to homes and businesses in Newfoundland and Labrador.

The hydroelectric generating facility is being constructed at Muskrat Falls on the lower Churchill River, approximately 30 km west of Happy Valley-Goose Bay. The facility consists of two dams and a powerhouse, and will be the second-largest hydroelectric facility in Newfoundland and Labrador when complete.

The electricity generated by the hydroelectric generating facility will be delivered through a high voltage transmission system to Newfoundland and Labrador and other regions as Nalcor deems appropriate.

The MF LTA Project was sanctioned by Nalcor in December 2012. Construction is currently underway and will take approximately five years to complete.

LIL Project

The LIL Project includes construction of an HVdc transmission system with a 60 m wide right-of-way that will carry electricity from the generating facility at Muskrat Falls to the island of Newfoundland. It will be 1,100 km long, running from central Labrador, crossing the Strait of Belle Isle, and extending to Newfoundland's Avalon Peninsula.

DESCRIPTION OF BONDS

General

Each Investor, by purchasing an MF LTA Bond under the offering, will be deemed to have purchased such MF LTA Bond subject to the terms and conditions set out in the MF LTA Master Trust Indenture, the MF LTA Supplemental Indenture for the series of MF LTA Bond being purchased, the global certificate representing the series of MF LTA Bond being purchased and the MF LTA Fiscal and Paying Agency Agreement.

Each Investor, by purchasing an LIL Bond under the offering, will be deemed to have purchased such LIL Bond subject to the terms and conditions set out in the LIL Master Trust Indenture, the LIL Supplemental

Indenture for the series of LIL Bond being purchased, the global certificate representing the series of LIL Bond being purchased and the LIL Fiscal and Paying Agency Agreement.

The description of the Bonds and the Canada Guarantees in this Offering Circular is a brief summary of certain attributes and characteristics, which does not purport to be complete. For full particulars, reference should be made to the Canada Guarantees, the Master Trust Indentures, the Supplemental Indentures (to which is attached the form of global certificate) and the Fiscal and Paying Agency Agreements.

A copy of the forms of Canada Guarantees (and Opinions in respect thereof), the Master Trust Indentures, the Supplemental Indentures and the Fiscal and Paying Agency Agreements may be obtained at any time from the Indenture Trustee by contacting the Indenture Trustee at 100 University Avenue, 11th Floor, Toronto, Ontario, Canada M5J 2Y1.

Status and Ranking of Bonds

The MF LTA Bonds constitute direct and unconditional obligations of MF LTA Trust, which rank equally with all of MF LTA Trust's other unsecured and unsubordinated indebtedness and obligations issued and outstanding from time to time.

The LIL Bonds constitute direct and unconditional obligations of LIL Trust, which rank equally with all of LIL Trust's other unsecured and unsubordinated indebtedness and obligations issued and outstanding from time to time.

Canada Guarantees

The Guaranteed Obligations are guaranteed by Canada pursuant to the Canada Guarantees, and include an indemnity by Canada to pay to the Indenture Trustee all amounts as are required from time to time to ensure that holders of the Bonds receive and are paid the Guaranteed Obligations regardless of (a) the unenforceability or invalidity of the Guaranteed Obligations or any failure by MF LTA Trust or LIL Trust, as the case may be, to pay in full the Guaranteed Obligations when due, (b) any loss of any right of any holder of Bonds or the Indenture Trustee against MF LTA Trust or LIL Trust, as the case may be, in respect of the Guaranteed Obligations for any reason whatsoever, including by operation of any bankruptcy, insolvency or similar such laws, any laws affecting creditors' rights generally or general principles of equity, and (c) any act or omission of the Indenture Trustee, the Fiscal and Paying Agent or any other fiscal agent in connection with the enforcement of any of the rights of the Indenture Trustee against MF LTA Trust or LIL Trust, as the case may be.

The obligations of Canada under the Canada Guarantees are not conditional on nor impacted in any way by the performance of the Projects.

Status and Ranking of Canada Guarantees

Each of the Canada Guarantees constitutes a direct, absolute, unconditional and irrevocable, present and continuing, obligation of Canada and as such carries the full faith and credit of Canada. Any amounts payable under the Canada Guarantees in respect of the Guaranteed Obligations are payable out of the Consolidated Revenue Fund of Canada. Each of the Canada Guarantees ranks equally with all of Canada's other unsecured and unsubordinated indebtedness and obligations issued and outstanding from time to time.

Canada has AAA ratings or equivalent from each of Standard & Poor's, Moody's, DBRS and Fitch Ratings. The assignment of credit ratings is not a recommendation by a rating agency to buy, sell or hold a security and such credit rating may be subject to review, reduction, suspension, revision or withdrawal at any time by the assigning rating agency. Please also refer to "Credit Ratings" below.

Until the Guaranteed Obligations of each of MF LTA Trust and LIL Trust have been indefeasibly paid in full, the obligations of Canada under the applicable Canada Guarantee are not reduced, limited or terminated, nor is Canada discharged from any obligation under the applicable Canada Guarantee for any reason whatsoever.

Demands for Payment under Canada Guarantees

Within five Business Days of its receipt of a written demand from the Indenture Trustee, the Fiscal and Paying Agent or any other fiscal agent appointed under a Master Trust Indenture in the form prescribed by the applicable Canada Guarantee, Canada must pay to the Indenture Trustee each amount claimed in such demand in immediately available funds and as directed in such demand. Such written demand may be given upon an amount being due to holders of the Bonds not being paid by MF LTA Trust or LIL Trust, as the case may be, by the time specified in the applicable Master Trust Indenture on the date such payment is due. Upon payment by Canada of each amount claimed being made to the Indenture Trustee within such five Business Day period, MF LTA Trust or LIL Trust, as the case may be, will no longer be in default under its Master Trust Indenture.

There is no requirement for holders of the Bonds or the Indenture Trustee to seek or exhaust any recourse against MF LTA Trust or LIL Trust, as the case may be, before demand can be made under the Canada Guarantee.

Opinions in respect of the Canada Guarantees

On the date the Bonds are issued, the Canada Opinion and the Cassels Opinion will be delivered subject to the confidentiality provisions of this Offering Circular.

The Canada Opinion will state that (a) Canada has sufficient authority to execute, deliver and perform its obligations under each of the Canada Guarantees, (b) the signatory to each of the Canada Guarantees has been authorized to execute and deliver such Canada Guarantee, and (c) each of the Canada Guarantees has been duly and properly executed and delivered.

The Cassels Opinion, relying on the Canada Opinion and subject to certain qualifications, will state that (a) each of the Canada Guarantees is fully binding upon and enforceable against Canada in accordance with its terms, (b) the authorization, execution and delivery of each of the Canada Guarantees and the performance by Canada of its obligations under each of the Canada Guarantees does not conflict with or contravene any provisions of any statute or regulation to which Canada is subject, and (c) the obligations of each Canada Guarantee extend to the Bonds issued pursuant to the relevant Master Trust Indenture.

Interest

MF LTA

The MF LTA Series A Bonds will be issued in an aggregate principal amount of \$650,000,000 and bear interest from the Closing Date at a rate of 3.63% per annum to (but excluding) the MF LTA Series A Maturity Date. The first payment of interest on the MF LTA Series A Bonds will occur on June 1, 2014 (reflecting interest from December 13, 2013 to but excluding that first payment date). Thereafter, interest on the MF LTA Series A Bonds will be payable in two equal semi-annual instalments in arrears on June 1 and December 1 of each year commencing on December 1, 2014, until (but excluding) the MF LTA Series A Maturity Date.

The MF LTA Series B Bonds will be issued in an aggregate principal amount of \$675,000,000 and bear interest from the Closing Date at a rate of 3.83% per annum to (but excluding) the MF LTA Series B Maturity Date. The first payment of interest on the MF LTA Series B Bonds will occur on June 1, 2014 (reflecting interest from December 13, 2013 to but excluding that first payment date). Thereafter, interest

on the MF LTA Series B Bonds will be payable in two equal semi-annual instalments in arrears on June 1 and December 1 of each year commencing on December 1, 2014, until (but excluding) the MF LTA Series B Maturity Date.

The MF LTA Series C Bonds will be issued in an aggregate principal amount of \$1,275,000,000 and bear interest from the Closing Date at a rate of 3.86% per annum to (but excluding) the MF LTA Series C Maturity Date. The first payment of interest on the MF LTA Series C Bonds will occur on June 1, 2014 (reflecting interest from December 13, 2013 to but excluding that first payment date). Thereafter, interest on the MF LTA Series C Bonds will be payable in two equal semi-annual instalments in arrears on June 1 and December 1 of each year commencing on December 1, 2014, until (but excluding) the MF LTA Series C Maturity Date.

LIL

The LIL Series A Bonds will be issued in an aggregate principal amount of \$725,000,000 and bear interest from the Closing Date at a rate of 3.76% per annum to (but excluding) the LIL Series A Maturity Date. The first payment of interest on the LIL Series A Bonds will occur on June 1, 2014 (reflecting interest from December 13, 2013 to but excluding that first payment date). Thereafter, interest on the LIL Series A Bonds will be payable in two equal semi-annual instalments in arrears on June 1 and December 1 of each year commencing on December 1, 2014, until (but excluding) the LIL Series A Maturity Date.

The LIL Series B Bonds will be issued in an aggregate principal amount of \$600,000,000 and bear interest from the Closing Date at a rate of 3.86% per annum to (but excluding) the LIL Series B Maturity Date. The first payment of interest on the LIL Series B Bonds will occur on June 1, 2014 (reflecting interest from December 13, 2013 to but excluding that first payment date). Thereafter, interest on the LIL Series B Bonds will be payable in two equal semi-annual instalments in arrears on June 1 and December 1 of each year commencing on December 1, 2014, until (but excluding) the LIL Series B Maturity Date.

The LIL Series C Bonds will be issued in an aggregate principal amount of \$1,075,000,000 and bear interest from the Closing Date at a rate of 3.85% per annum to (but excluding) the LIL Series C Maturity Date. The first payment of interest on the LIL Series C Bonds will occur on June 1, 2014 (reflecting interest from December 13, 2013 to but excluding that first payment date). Thereafter, interest on the LIL Series C Bonds will be payable in two equal semi-annual instalments in arrears on June 1 and December 1 of each year commencing on December 1, 2014, until (but excluding) the LIL Series C Maturity Date.

Payments

The Fiscal and Paying Agent will deliver payment to CDS as the registered holder of global certificates representing the Bonds of amounts due thereunder on the relevant payment dates. CDS, upon receipt of any payment of principal or interest in respect of the Bonds, will on the date of payment pay such amounts to Participants shown on its book-based system as the holder of the applicable Bonds. Each such Participant will in turn pay the applicable amount to Investors in the Bonds shown as such in the records of the Participant according to the standing instructions and customary practices of the Participant. None of MF LTA Trust, LIL Trust, Canada, the Indenture Trustee or the Fiscal and Paying Agent is responsible or liable for any aspect of the records relating to or payments made by CDS, DTC, Clearstream, Luxembourg, Euroclear or any Participant. See “—Depository Service and Transfers”, “Clearing and Settlement”.

Payments with respect to principal of and interest on Bonds will only be made to CDS on a Business Day and if a date for payment is not a Business Day, payment shall be made on the next following Business Day.

MF LTA Trust and the Indenture Trustee will appoint the Fiscal and Paying Agent as paying agent for the MF LTA Bonds and LIL Trust and the Indenture Trustee will appoint the Fiscal and Paying Agent as paying agent for the LIL Bonds.

Maturity

The MF LTA Series A Bonds will mature and be payable in full on the MF LTA Series A Maturity Date. The MF LTA Series B Bonds will mature and be payable in full on the MF LTA Series B Maturity Date. The MF LTA Series C Bonds will mature and be payable in full on the MF LTA Series C Maturity Date.

The LIL Series A Bonds will mature and be payable in full on the LIL Series A Maturity Date. The LIL Series B Bonds will mature and be payable in full on the LIL Series B Maturity Date. The LIL Series C Bonds will mature and be payable in full on the LIL Series C Maturity Date.

Early Redemption

The Bonds are redeemable in whole or in part at the option of the issuer thereof prior to maturity on not less than 30 days' and not more than 60 days' notice, but are not repayable at the option of the holder. To redeem the Bonds prior to the applicable maturity date, MF LTA Trust or LIL Trust, as applicable, must pay a redemption price equal to the greater of: (i) the Canada Yield Price of the principal amount thereof to be redeemed; and (ii) the outstanding principal amount thereof to be redeemed; together in either case with accrued and unpaid interest up to but excluding the date fixed for redemption. The Bonds to be redeemed shall be selected on a pro rata basis in accordance with the principal amount of Bonds registered in the name of each holder. Each of MF LTA Trust and LIL Trust may, at any time and from time to time, purchase MF LTA Bonds and LIL Bonds, respectively, in the open market or by tender or private contract at any price.

Depository Service and Transfers

The Bonds may be acquired and held only through the book-based system of CDS, DTC, Clearstream, Luxembourg and Euroclear. On the Closing Date, MF LTA Trust will sign and deliver to CDS, and the Indenture Trustee will certify, a global certificate representing the MF LTA Series A Bonds, a global certificate representing the MF LTA Series B Bonds and a global certificate representing the MF LTA Series C Bonds, and LIL Trust will sign and deliver to CDS, and the Indenture Trustee will certify, a global certificate representing the LIL Series A Bonds, a global certificate representing the LIL Series B Bonds and a global certificate representing the LIL Series C Bonds. These global certificates will be held by CDS in fully registered form in the name of a nominee of CDS.

CDS maintains a computerized book-based system for securities transfers whereby Participants can make transfers of securities without physical movement of definitive certificates representing Bonds. Participants are primarily investment dealers, banks and trust companies. Investors must hold Bonds through a Participant. The Participant will be shown as the holder of Bonds on the book-based system of CDS and the Participant will reflect the beneficial ownership of Investors in Bonds on the books of the Participant. Investors may elect to hold beneficial interests in the Bonds directly through any of CDS (in Canada), DTC (in the United States) or Clearstream, Luxembourg or Euroclear (in Europe) if they are Participants of such systems, or indirectly through organizations which are Participants in such systems. DTC is a Participant in CDS. Clearstream, Luxembourg and Euroclear will hold interests on behalf of their Participants through customers' securities accounts in the name of Clearstream, Luxembourg and Euroclear, respectively, on the books of their respective Canadian subcustodians (the "**Canadian Subcustodians**"), each of which is a Canadian Schedule I chartered bank, which in turn will hold such interests in customers' securities accounts in the names of the Canadian Subcustodians on the books of CDS.

Transfers of Bonds represented by the global certificates will be effected through records maintained by CDS for the global certificates (with respect to interests of Participants) and on the records of Participants (with respect to interests of Investors). After transfers have been agreed to by Participants, they will instruct CDS to effect the transfers through book-entry deliveries. Book-entry deliveries are made by crediting an account of a Participant representing a purchaser with Bonds and debiting the account of another Participant representing a vendor with respect to such Bonds. CDS calculates and reports the delivery and payment obligations and each Participant makes a net payment to, or receives a net payment from, CDS. See “Clearing and Settlement”.

Investors will not receive definitive certificates representing Bonds except in certain circumstances described under “Description of Bonds - Definitive Certificates”. Those positions will be reflected solely through appropriate entries in the book-based system of CDS, DTC, Clearstream, Luxembourg and Euroclear and in the books of the Participant through whom an Investor has acquired Bonds. Investors will receive confirmation slips confirming their purchase of a Bond.

Until Bonds may be acquired and held other than through the book-based system of CDS, DTC, Clearstream, Luxembourg and Euroclear, Investors will not be recognized by the Indenture Trustee or the Fiscal and Paying Agent as the holder of Bonds. All references herein or in the Master Trust Indentures, the Supplemental Indentures or the global certificates with respect to Bonds or to distributions, notices, reports and statements to or actions by Investors will be made to or by CDS as registered holder of the global certificates representing the Bonds, for the benefit of owners of beneficial interests in the Bonds, including Participants of CDS, DTC, Clearstream, Luxembourg and Euroclear.

The Indenture Trustee shall not be required to register any transfer or exchange of Bonds (i) for a period of 10 Business Days preceding the date of a payment of interest or principal until the date of such payment, (ii) in an amount less than \$500,000 unless such lesser amount reflects all of a holder’s ownership interest in respect of such Bond, (iii) on the day of selection by the Indenture Trustee of Bonds to be redeemed early until the date that the notice of redemption is mailed, or (iv) for any Bonds that have been selected or called for redemption, unless such Bonds are not redeemed.

Definitive Certificates

No beneficial owner of Bonds will be entitled to receive physical delivery of Bonds in certificated form except in the limited circumstances described below.

If CDS is unwilling or unable to continue to hold the global certificates representing the Bonds or if CDS ceases to be a recognized clearing agency and a successor is not appointed by MF LTA Trust or LIL Trust, as the case may be, or if MF LTA Trust or LIL Trust, as the case may be, elects to terminate the book-entry system with respect to the Bonds, upon surrender of the global certificates representing the Bonds, MF LTA Trust or LIL Trust, as the case may be, will execute Bonds in definitive registered form, and the Indenture Trustee will authenticate and deliver such certificated Bonds in an aggregate principal amount equal to the aggregate principal amount of the global certificates.

Discharge of Bonds

Any and all rights and claims of an Investor in Bonds will be conclusively satisfied, discharged, or exhausted, as the case may be, at such time as the Bonds have been paid in full.

Governing Law

The Bonds will be governed by, and construed in accordance with, the laws of the Province of Newfoundland and Labrador and the federal laws of Canada applicable therein.

Voting

The MF LTA Master Trust Indenture will provide that all holders of MF LTA Series A Bonds, MF LTA Series B Bonds and MF LTA Series C Bonds will vote together on any matter requiring their approval, subject to a separate approval by holders of a series where the interests of that series only are differently affected. The LIL Master Trust Indenture will provide that all holders of LIL Series A Bonds, LIL Series B Bonds and LIL Series C Bonds will vote together on any matter requiring their approval, subject to a separate approval by holders of a series where the interests of that series only are differently affected.

CREDIT RATINGS

The Bonds will be given long-term credit ratings of Aaa by Moody's, AAA by Standard & Poor's and AAA by DBRS.

According to Moody's, long-term obligations rated "Aaa" by Moody's are judged to be of the highest quality, with minimal credit risk.

According to Standard & Poors, the "AAA" rating category is the highest of the rating categories used by Standard & Poors for long-term debt obligations and denotes that the obligor's capacity to meet its financial commitment on the obligation is extremely strong.

According to DBRS, the "AAA" rating category used by DBRS denotes "the highest credit quality" and is the highest of the rating categories used by DBRS.

Credit ratings are intended to provide investors with an independent measure of an issue of securities. The credit ratings accorded to the Bonds are not recommendations to purchase, hold or sell such Bonds and the ratings are not a comment upon the market price of the Bonds or their suitability for a particular investor. The assignment of credit ratings is not a recommendation by a rating agency to buy, sell or hold the Bonds and such credit rating may be subject to review, reduction, suspension, revision or withdrawal at any time by the assigning rating agency.

CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary of the principal Canadian federal income tax considerations for a purchaser who acquires Bonds pursuant to this Offering Circular and who, for purposes of the *Income Tax Act* (Canada) ("**Tax Act**") and at all relevant times, deals at arm's length, and is not affiliated, with MF LTA Trust or LIL Trust, as the case may be.

This summary is based on the provisions of the Tax Act and the regulations thereunder (the "**Regulations**"), all proposals to amend the Tax Act and the Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Tax Proposals**") and an understanding of the current administrative and assessing practices and policies published by the Canada Revenue Agency in writing prior to the date hereof. This summary assumes that the Tax Proposals will be enacted as proposed, but there is no assurance that this will be the case. This summary does not otherwise take into account or anticipate any changes in law or administrative policy or assessing practice, whether by legislative, governmental, judicial or administrative decision or action, nor does it take it into account other federal or any provincial, territorial or foreign tax considerations which may differ significantly from those described in this Offering Circular.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, specific advice to any particular purchaser of Bonds. This summary is not exhaustive of all Canadian federal income tax considerations. Prospective purchasers should consult their own tax advisors with respect to their particular circumstances.

Investors Resident in Canada

The following portion of this summary is applicable to a purchaser who, at all relevant times, for purposes of the Tax Act, is a resident of Canada and holds Bonds as capital property (“**Canadian Holder**”). Generally a Bond will be capital property to a purchaser provided the purchaser does not acquire or hold the Bond in the course of carrying on a business of buying and selling securities or as part of an adventure in the nature of trade. This portion of the summary is not applicable to any purchaser that is a “financial institution” that is subject to special rules relating to mark-to-market properties and specified debt obligations, to any purchaser an interest in which would be a “tax shelter investment”, as defined in the Tax Act, or to any purchaser that reports its “Canadian tax results” within the meaning of section 261 of the Tax Act in a currency other than Canadian currency.

Interest on Bonds

A Canadian Holder that is a corporation, partnership, unit trust or any trust of which a corporation or partnership is a beneficiary will be required to include in computing its income for a taxation year any interest on Bonds that becomes receivable or is received by such Canadian Holder before the end of the year, to the extent that such interest was not including in computing the Canadian Holder’s income for a preceding taxation year.

Any other Canadian Holder, including an individual, will be required to include in computing its income for a taxation year any interest on Bonds that is received or receivable by such Canadian Holder (depending on the method regularly followed by the Canadian Holder in computing its income) to the extent that such interest was not included in the Canadian Holder’s income for a preceding taxation year.

Any amount paid to a Canadian Holder as a penalty or bonus because of the repayment of all or part of the principal amount of a Bond before its maturity will be deemed to be received by the Canadian Holder as interest on the Bond at that time and will be required to be included in the Canadian Holder’s income as described above to the extent that such amount can reasonably be considered to relate to, and does not exceed the value at that time of, interest that, but for the repayment, would have been paid or payable on the Bond for taxation years ending after that time.

Disposition of Bonds

Upon a disposition or a deemed disposition of a Bond, a Canadian Holder generally will be required to include in computing its income for the taxation year in which the disposition occurs the amount of interest on the Bonds that has accrued to the Canadian Holder to that time except to the extent that such interest has otherwise been included in the Canadian Holder’s income for the year or a preceding taxation year.

Generally, on a disposition or deemed disposition of a Bond, a Canadian Holder will realize a capital gain (or capital loss) equal to the amount by which the proceeds of disposition exceed (or are less than) the adjusted cost base to the Canadian Holder of the Bond immediately before the disposition or deemed disposition and any reasonable costs of disposition. Any amount included in a Canadian Holder’s income as interest in respect of a Bond is excluded from the proceeds of disposition of the Bond. Generally a Canadian Holder is required to include in income for a taxation year one-half of any capital gain (a “taxable capital gain”) realized upon disposition of a Bond by the Canadian Holder in the year. Subject to and in accordance with the provisions of the Tax Act a Canadian Holder is required to deduct one-half of any capital loss (an “allowable capital loss”) realized in a taxation year from taxable capital gains realized by the Canadian Holder in that year. Allowable capital losses in excess of taxable capital gains for a year may be applied against net taxable capital gains realized in any of the three preceding years or any subsequent year in accordance with the detailed provisions of the Tax Act.

Additional Refundable Tax

A Canadian Holder that is a “Canadian-controlled private corporation” (as defined in the Tax Act) may be liable to pay an additional refundable tax of 6 2/3% on certain investment income, including interest and taxable capital gains.

Qualified Investment

If issued on the date of this Offering Circular, the Bonds would be qualified investments under the Tax Act on such date for trusts governed by a registered retirement savings plan, a registered retirement income fund, a registered education savings plan, a registered disability savings plan, a deferred profit sharing plan and a tax-free savings account.

Investors not Resident in Canada

The following portion of the summary is applicable to a purchaser of Bonds, including entitlement to all payments thereunder, who, for purpose of the Tax Act at all relevant times, is not, and is not deemed to be, resident in Canada, does not use or hold, and is not deemed to use or hold, the Bonds in carrying on a business in Canada, deals at arm’s length with MF LTA Trust or LIL Trust, as the case may be, and any and all transferees resident (or deemed to be resident) in Canada to whom the holder disposes of any of the Bonds, is not an authorized foreign bank that receives amounts paid or credited on the Bonds in respect of its Canadian banking business and is not an insurer that carries on an insurance business in Canada and elsewhere (“**Non-Resident Holder**”).

Amounts paid or credited, or deemed to be paid or credited, to a Non-Resident Holder as, on account or in lieu of payment of, or in satisfaction of, interest on Bonds will be exempt from Canadian withholding tax. No other taxes on income (including taxable capital gains) will be payable pursuant to the Tax Act by a Non-Resident Holder in respect of the acquisition, ownership or disposition of Bonds.

CLEARING AND SETTLEMENT

Links have been established among CDS, DTC, Clearstream, Luxembourg and Euroclear to facilitate the initial issuance of the Bonds and cross-market transfers of the Bonds associated with secondary market trading. CDS will be linked directly to DTC and will be linked to Clearstream, Luxembourg and Euroclear through the CDS accounts of their respective Canadian Subcustodians.

The Clearing Agencies

CDS

CDS is Canada's national securities clearing and depository services organization. Functioning as a service utility for the Canadian financial community, CDS provides a variety of computer automated services for financial institutions and investment dealers active in domestic and international capital markets. CDS Participants include banks (including the Canadian Subcustodians), investment dealers and trust companies and may include certain of the Underwriters and Agents. Indirect access to CDS is available to other organizations that clear through or maintain a custodial relationship with a CDS Participant. Transfers of ownership and other interests, including cash distributions in Bonds in CDS may only be processed through CDS Participants and will be completed in accordance with existing CDS rules and procedures.

DTC

DTC is a limited purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve

System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”). DTC was created to hold securities of its Participants and to facilitate the clearance and settlement of securities transactions among its Participants in such securities through electronic book-entry changes in accounts of the Participants, thereby eliminating the need for physical movement of securities certificates. DTC’s Participants include securities brokers and dealers (including the Underwriters), banks, trust companies, clearing corporations and certain other organizations, some of whom (and/or their representatives) own DTC. Access to DTC’s book-entry system is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Participant (“**indirect participants**”).

DTC is a Participant of CDS.

Clearstream, Luxembourg

Clearstream, Luxembourg holds securities for its Participants and facilitates the clearance and settlement of securities transactions between its Participants through electronic book-entry changes in accounts of its Participants, thereby eliminating the need for physical movement of certificates. Clearstream, Luxembourg Participants are world-wide financial institutions including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with a Clearstream, Luxembourg Participant. Clearstream, Luxembourg has established an electronic bridge with Euroclear Bank in Brussels to facilitate settlement of trades between Clearstream, Luxembourg and Euroclear Bank.

Distributions with respect to the Bonds held beneficially through Clearstream, Luxembourg will be credited to cash accounts of Clearstream, Luxembourg Participants in accordance with its rules and procedures, to the extent received by the Canadian Subcustodian for Clearstream, Luxembourg.

Euroclear

Euroclear holds securities for Euroclear Participants and to clear and settle transactions between Euroclear Participants through simultaneous electronic book-entry delivery against payment, thereby eliminating the need for physical movement of certificates and any risk from lack of simultaneous transfers of securities and cash. Euroclear Participants include banks (including central banks), securities brokers and dealers and other professional financial intermediaries and may include the Underwriters and the Agents. Indirect access to Euroclear is also available to other firms that clear through or maintain a custodial relationship with a Euroclear Participant, either directly or indirectly.

Securities clearance accounts and cash accounts are governed by the Terms and Conditions Governing Use of Euroclear and the related Operating Procedures of the Euroclear System, and applicable Belgian law (collectively, the “**Euroclear Terms and Conditions**”). The Euroclear Terms and Conditions govern transfers of securities and cash within Euroclear, withdrawals of securities and cash from Euroclear, and receipts of payments with respect to securities in Euroclear. All securities in Euroclear are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts.

Distributions with respect to the Bonds held beneficially through Euroclear will be credited to the cash accounts of Euroclear Participants in accordance with the Euroclear Terms and Conditions, to the extent received by the Canadian Subcustodian for Euroclear.

Global Clearance and Settlement Procedures

Settlement for the Bonds will be in immediately available Canadian dollar funds.

Secondary market trading between CDS Participants will be in accordance with market conventions applicable to transactions in book-based Canadian domestic bonds. Secondary market trading between DTC, Clearstream, Luxembourg and/or Euroclear Participants will occur in the ordinary way in accordance with the applicable rules and operating procedures of DTC, Clearstream, Luxembourg and Euroclear, as applicable, and will be settled using the procedures applicable to conventional debt securities in immediately available funds.

Cross-market transfers between persons holding directly or indirectly through CDS Participants, on the one hand, and directly or indirectly through DTC, Clearstream, Luxembourg or Euroclear Participants, on the other, will be effected in CDS in accordance with CDS rules; however, such cross-market transactions will require delivery of instructions to the relevant clearing system by the counterparty in such system in accordance with its rules and procedures and within its established deadlines. The relevant clearing system will, if the transaction meets its settlement requirements, deliver instructions to CDS directly or through its Canadian Subcustodian to take action to effect final settlement on its behalf by delivering or receiving bonds in CDS, and making or receiving payment in accordance with normal procedures for settlement in CDS. DTC, Clearstream, Luxembourg and Euroclear Participants may not deliver instructions directly to CDS or the Canadian Subcustodians.

Because of time-zone differences, credits of Bonds received by Clearstream, Luxembourg or Euroclear as a result of a transaction with a CDS Participant will be made during subsequent securities settlement processing and dated the business day following the CDS settlement date. Such credits or any transactions in such Bonds settled during such processing will be reported to the relevant Clearstream, Luxembourg or Euroclear Participants on such business day. Cash received by Clearstream, Luxembourg or Euroclear as a result of sales of Bonds by or through a Clearstream, Luxembourg or a Euroclear Participant to a CDS Participant will be received with value on the CDS settlement date but will be available in the relevant Clearstream, Luxembourg or Euroclear cash account only as of the business day following settlement in CDS.

Although CDS, DTC, Clearstream, Luxembourg and Euroclear have agreed to the foregoing procedures in order to facilitate transfers of bonds among CDS, DTC, Clearstream, Luxembourg and Euroclear Participants, they are under no obligation to perform or continue to perform such procedures and such procedures may be changed or discontinued at any time.

PLAN OF DISTRIBUTION

Under the MF LTA Underwriting Agreement, MF LTA Trust will agree to sell all, but not less than all, of the MF LTA Bonds, and the Underwriters will agree, severally and not jointly nor jointly and severally, to purchase the MF LTA Bonds on the Closing Date, for an aggregate price of \$650,234,000 in respect of the MF LTA Series A Bonds, \$675,108,000 in respect of the MF LTA Series B Bonds and \$1,275,255,000 in respect of the MF LTA Series C Bonds.

Under the LIL Underwriting Agreement, LIL Trust will agree to sell all, but not less than all, of the LIL Bonds, and the Underwriters will agree, severally and not jointly nor jointly and severally, to purchase the LIL Bonds on the Closing Date, for an aggregate price of \$725,304,500 in respect of the LIL Series A Bonds, \$600,114,000 in respect of the LIL Series B Bonds and \$1,075,225,750 in respect of the LIL Series C Bonds.

The rights and obligations of the Underwriters may, prior to purchasing the Bonds, be terminated on the occurrence of certain events. The obligations of MF LTA Trust and LIL Trust to sell, and of the Underwriters to purchase, the Bonds are subject to compliance with all necessary legal requirements and

to the terms and conditions contained in the MF LTA Underwriting Agreement and the LIL Underwriting Agreement, respectively. Subscriptions for the Bonds will be received subject to rejection or allotment in whole or in part by the Underwriters and the right is reserved by the Underwriters to close subscriptions at any time without notice.

Purchasers may be required to pay stamp duties or taxes and other charges in accordance with the laws and practices of the country of purchase in addition to the issue price set forth above.

The Bonds are a new issue of securities with no established trading market and one may not exist in the future. Each of MF LTA Trust and LIL Trust has been advised by the Underwriters that the Underwriters intend to make a market in the Bonds but are not obligated to do so and may discontinue market making activities with respect to the Bonds at any time without notice. No assurance can be given as to the liquidity of the trading market for the Bonds. The offering prices for the Bonds will be determined by negotiation between the Underwriters and MF LTA Trust, in respect of the MF LTA Bonds, and between the Underwriters and LIL Trust, in respect of the LIL Bonds.

In connection with this offering, the Underwriters may purchase and sell Bonds in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the Underwriters of a greater number of Bonds than they are required to purchase in this offering. Stabilizing transactions consist of certain bids or purchases made for the purpose of preventing or retarding a decline in the market price of the Bonds while this offering is in progress. These activities by the Underwriters, as well as other purchases by the Underwriters for their own account, may stabilize, maintain or otherwise affect the market price of the Bonds. As a result, the price of the Bonds may be higher than the price that otherwise might prevail in the open market. If these activities are commenced, they may be discontinued by the Underwriters at any time. These transactions may be effected in the over-the-counter market or otherwise.

The Underwriters and their affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and nonfinancial activities and services. The Underwriters and their affiliates have provided, and may in the future provide, a variety of these services to MF LTA Trust and LIL Trust and to persons and entities with relationships with MF LTA Trust and with LIL Trust, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of MF LTA Trust or LIL Trust (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with MF LTA Trust or LIL Trust. The Underwriters and their affiliates may also communicate independent investment recommendations, market colour or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

Each of MF LTA Trust and LIL Trust has agreed to indemnify the Underwriters against certain liabilities.

The Bonds are offered for sale in Canada, in the United States (as described below) and internationally where it is legal to make such offers. In the United States, the Bonds are offered only to persons who are “qualified institutional buyers” (as defined in Rule 144A under the *Securities Act of 1933*, as amended (the “1933 Act”)) in reliance on Rule 144A under the 1933 Act. In the case of offers in the United States,

offers and sales may be made only if this Offering Circular is accompanied by the United States offering memorandum (the “**United States Offering Memorandum**”).

Each of the Underwriters has acknowledged that the offering of the Bonds in certain jurisdictions may be restricted by law. In particular, in the European Economic Area, the Bonds may not be offered and sold, directly or indirectly, in any jurisdiction which has implemented the Prospectus Directive, except under circumstances that will result in compliance with the Prospectus Directive and any implementing legislation in the relevant Member States (including the European Economic Area) and the Underwriters have represented that all offers and sales by them will be made on the same terms.

Each of the Underwriters has agreed that it has not offered, sold or delivered and it will not offer, sell or deliver, directly or indirectly, any of the Bonds or distribute this Offering Circular, the United States Offering Memorandum or any other offering material relating to the Bonds, in or from any jurisdiction except under circumstances that will, to the best of its knowledge and belief having made due enquiry, result in compliance with the applicable laws and regulations thereof and will not require registration of the Bonds or filing of a prospectus with respect to the Bonds or other disclosure or filing requirements under the laws of such jurisdiction.

United States

The Bonds have not been and will not be registered under the 1933 Act and may not be offered or sold within the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the 1933 Act.

Accordingly, the Bonds offered hereby are being offered and sold only (a) to Qualified Institutional Buyers in compliance with Rule 144A under the 1933 Act, and (b) in offers and sales that occur outside the United States to foreign purchasers other than U.S. persons in offshore transactions meeting the requirements of Rule 903 of Regulation S under the 1933 Act. As used herein, the term “offshore transaction,” “United States” and “U.S. person” have the respective meaning given to them in Regulation S.

In addition, until 40 days after the commencement of the offering of Bonds pursuant to the Offering Circular, an offer or sale of the Bonds within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the 1933 Act if such an offer or sale is made in another manner.

European Economic Area

In relation to each Relevant Member State with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State, an offer of the Bonds may not be made to the public in that Relevant Member State other than:

- (i) to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (ii) to fewer than 100, or if the Relevant Member State has implemented the relevant provisions of the 2010 PD Amending Directive (as defined below), 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the representatives of the several Underwriters; or
- (iii) in any other circumstances falling within Article 3(2) of the Prospectus Directive;

provided that no such offer of Bonds shall require MF LTA Trust, LIL Trust or any Underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this section, the expression an “**offer of Bonds to the public**” in relation to any Bonds in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe the Bonds, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “**Prospectus Directive**” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in each Relevant Member State and the expression “**2010 PD Amending Directive**” means Directive 2010/73/EU.

MF LTA Trust and LIL Trust have not authorized and do not authorize the making of any offer of the Bonds through any financial intermediary, other than offers made by the Underwriters with a view to the final placement of the Bonds as contemplated in this Offering Circular. Accordingly, no purchaser of Bonds, other than the Underwriters, is authorized to make any further offer of Bonds on behalf of MF LTA Trust or LIL Trust.

The Netherlands

The Bonds will only be offered in the Netherlands in reliance to Article 3(2) of the Prospectus Directive (i) to Qualified Investors (as defined in the Prospectus Directive as defined under “European Economic Area” above), or (ii) if, in accordance with article 5:20(5) of the Dutch Financial Supervision Act (Wet op het financieel toezicht), standard logo and exemption wording are incorporated in offer documents, advertisements and documents in which the offer is announced.

United Kingdom

Each Underwriter has represented and agreed with MF LTA Trust and LIL Trust that, in connection with the distribution of the Bonds:

- (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the “FSMA”)) received by it in connection with the issue or sale of any Bonds in circumstances in which Section 21(1) of the FSMA does not apply to MF LTA Trust or LIL Trust; and
- (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

Japan

The Bonds have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (the “**Financial Instruments and Exchange Law**”) and each Underwriter has agreed with MF LTA Trust and LIL Trust that it will not offer or sell any Bonds, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

Hong Kong

The Bonds may not be offered or sold by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), or (ii) to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a “prospectus” within the meaning of the Companies Ordinance, and no advertisement, invitation or document relating to the Bonds may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to Bonds which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning of the Securities and Futures Ordinance. The contents of this Offering Circular have not been reviewed by any regulatory authority in Hong Kong. Prospective investors in Hong Kong are advised to exercise caution in relation to the Offering. If a prospective investor in Hong Kong is in any doubt about any of the contents of this Offering Circular, independent professional advice should be obtained.

Singapore

This Offering Circular has not been registered and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Offering Circular and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Bonds may not be circulated or distributed, nor may the Bonds be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”), (ii) to a relevant person, pursuant to Section 275(1) or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Bonds are subscribed or purchased under Section 275 of the SFA by a relevant person which is: (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor, securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Bonds pursuant to an offer made under Section 275 of the SFA except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person, defined in Section 275(2) of the SFA or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA; (2) where no consideration is or will be given for the transfer; (3) by operation of law; or (4) as specified in Section 276(7) of the SFA.

The Bahamas

The offer of Bonds is not open to the public in The Bahamas. The offering of each Bond directly or indirectly in or from within The Bahamas may only be made by an entity or person who is licensed as a broker dealer or securities investment advisor by the Securities Commission of The Bahamas. Persons deemed “resident” of The Bahamas pursuant to the Exchange Control Regulations, 1956 of The Bahamas must receive the prior approval of The Central Bank of The Bahamas before accepting an offer to purchase or purchasing the Bonds.

British Virgin Islands

This Offering Circular and the Bonds offered herein have not been, and will not be, recognized or registered under the laws and regulations of the British Virgin Islands (“**BVI**”). The Bonds may not be offered or sold in the BVI except in circumstances in which MF LTA Trust or LIL Trust, as the case may be, this Offering Circular and the Bonds do not require recognition by or registration with the authorities of the BVI. This Offering Circular is not a solicitation or offer of interests to members of the public in the BVI.

Cayman Islands

This is not an offer to the members of the public in the Cayman Islands to subscribe for Bonds, and applications originating from the Cayman Islands will only be accepted from sophisticated persons or high net worth persons, in each case within the meaning of the Cayman Islands Securities Investment Business Law (as amended).

People’s Republic of China

This Offering Circular may not be circulated or distributed in the People’s Republic of China (“**China**”) and the Bonds may not be offered or sold, and will not be offered or sold, to any person for re-offering or resale directly or indirectly to any resident of China except pursuant to applicable laws and regulations of China. For the purpose of this paragraph, China does not include Taiwan or the special administrative regions of Hong Kong and Macau.

United Arab Emirates

The Bonds have not been and will not be offered, sold or publicly promoted or advertised by it in the United Arab Emirates other than in compliance with any laws applicable in the United Arab Emirates governing the issue, offering or the sale of securities.

LEGAL MATTERS

Certain legal matters in connection with the Bonds will be passed upon for MF LTA Trust and LIL Trust by Fasken Martineau DuMoulin LLP and McInnes Cooper, and for the Underwriters and Agents by McCarthy Tétrault LLP and Stewart McKelvey.

PROSPECTUS EXEMPTION

The offering, issue, sale and delivery of the Bonds in accordance with the terms of the Underwriting Agreements is exempt from the prospectus requirements of the securities laws of all of the provinces and territories of Canada. No other documents are required to be filed, proceedings taken, or approvals, permits, consents or authorizations of securities regulatory authorities obtained under the securities laws of the provinces and territories of Canada to permit the offering, issuance, sale and delivery of the Bonds.

RIGHTS OF RESCISSION OR DAMAGES FOR PURCHASERS

Investors are cautioned that except as set out below, securities laws of the provinces and territories of Canada do not provide for any rights of rescission or rights to claim damages in connection with any misrepresentation contained in this Offering Circular.

Nova Scotia

If this Offering Circular or any amendment hereto or any advertising or sales literature (as defined in the *Securities Act* (Nova Scotia)) contains an untrue statement of a material fact or omits to state a material

fact that is required to be stated or that is necessary in order to make any statement contained herein or therein not misleading in light of the circumstances in which it was made (a “**misrepresentation**”), a purchaser to whom this Offering Circular has been sent or delivered and who purchases Bonds referred to herein is deemed to have relied on such misrepresentation if it was a misrepresentation at the time of purchase and the purchaser has, subject as hereinafter provided, a right of action for damages against the seller (the term “seller” includes MF LTA Trust and/or LIL Trust, as the case may be) and against every director of the seller or the purchaser may elect instead to exercise a right of rescission against the seller, in which case the purchaser has no right of action for damages against the seller or directors of the seller, provided that:

- (i) no action shall be commenced to enforce the right of rescission or damages more than 120 days after the date payment was made for the Bonds (or after the date on which initial payment was made for the Bonds where payments subsequent to the initial payment are made pursuant to a contractual commitment assumed prior to, or concurrently with, the initial payment);
- (ii) no person or company is liable if the person or company proves that the purchaser purchased the Bonds with knowledge of the misrepresentation;
- (iii) no person or company, other than MF LTA Trust and/or LIL Trust, as the case may be, is liable if the person or company proves that:
 - A. this Offering Circular, or the amendment hereto, was sent or delivered to the purchaser without the person’s or company’s knowledge or consent and that, on becoming aware of its delivery, the person or company gave reasonable general notice that it was delivered without the person’s or company’s knowledge or consent;
 - B. after delivery of this Offering Circular, or the amendment hereto, and before the purchase of the Bonds by the purchaser, on becoming aware of any misrepresentation in this Offering Circular, or the amendment hereto, the person or company withdrew the person’s or company’s consent to this Offering Circular, or the amendment hereto, and gave reasonable general notice of the withdrawal and the reason for it; or
 - C. with respect to any part of this Offering Circular, or amendment hereto, purporting to be made on the authority of an expert, or to be a copy of, or an extract from a report, an opinion or a statement of an expert, the person or company had no reasonable grounds to believe and did not believe that there had been a misrepresentation, or that the relevant part of this Offering Circular, or amendment hereto, did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or extract from, the report, opinion or statement of the expert;
- (iv) no person or company, other than MF LTA Trust and/or LIL Trust, as the case may be, is liable with respect to any part of this Offering Circular, or amendment hereto, not purporting to be made on the authority of an expert, or to be a copy of or an extract from, a report, opinion or statement of an expert, unless the person or company failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation, or believed that there had been a misrepresentation;

- (v) in an action for damages, the defendant is not liable for all or any part of the damages that the defendant proves does not represent the depreciation in value of the Bonds resulting from the misrepresentation;
- (vi) the amount recoverable by a plaintiff may not exceed the price at which the Bonds were offered under this Offering Circular or amendment hereto;
- (vii) a person or company is not liable for a misrepresentation in forward-looking information (as defined in the *Securities Act* (Nova Scotia)) (other than forward-looking information in a financial statement or forward-looking information in a document released in connection with an initial public offering) if the person or company proves all of the following things:
 - A. the document containing the forward-looking information contained, proximate to that information,
 - a) reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information; and
 - b) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information;
 - B. the person or company had a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information.

If a misrepresentation is contained in a record incorporated by reference in, or deemed incorporated into, this Offering Circular or amendment to this Offering Circular, the misrepresentation is deemed to be contained in this Offering Circular or amendment to this Offering Circular.

The foregoing rights of action for rescission or damages are in addition to and not in derogation from any other right or remedy available at law or otherwise to the purchaser.

Newfoundland and Labrador, Prince Edward Island, Northwest Territories and Nunavut

Investors in Prince Edward Island, Northwest Territories and Nunavut also have and investors in Newfoundland and Labrador may have certain rights of rescission or rights to claim damages in connection with any misrepresentation contained in this Offering Circular. Investors in those provinces and those territories should refer to the securities legislation of their respective province or territories for the complete text of such legislation or consult with a lawyer.

GENERAL INFORMATION

As at the Closing Date, each of MF LTA Trust and LIL Trust will have obtained all necessary consents, approvals and authorisations to be obtained by it in connection with the issue and performance of the Bonds and the Canada Guarantees. The issue of the MF LTA Bonds is within the authority conferred on BNY Trust Company of Canada by the declaration of trust that created MF LTA Trust and the issue of the LIL Bonds is within the authority conferred on BNY Trust Company of Canada by the declaration of trust that created LIL Trust.

MF LTA Trust is not involved in any litigation or arbitration proceedings relating to claims or amounts which are material in the context of the issue of the MF LTA Bonds nor, so far as MF LTA Trust is aware, is any such litigation or arbitration pending or threatened. LIL Trust is not involved in any litigation or arbitration proceedings relating to claims or amounts which are material in the context of the issue of the LIL Bonds nor, so far as LIL Trust is aware, is any such litigation or arbitration pending or threatened.

Under the European Council Directive 2003/48/EC of 3 June 2003, Member States are required, from July 1, 2005, to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. For a transitional period, certain Member States are instead required (unless during such transitional period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries).

The MF LTA Series A Bonds have been accepted for clearance through CDS, DTC, Clearstream, Luxembourg and Euroclear systems with the Common Code of 100488493, the ISIN of CA 628153AA60 and the CUSIP number of 628153AA6. The MF LTA Series B Bonds have been accepted for clearance through CDS, DTC, Clearstream, Luxembourg and Euroclear systems with the Common Code of 100488558, the ISIN of CA 628153AB44 and the CUSIP number of 628153AB4. The MF LTA Series C Bonds have been accepted for clearance through CDS, DTC, Clearstream, Luxembourg and Euroclear systems with the Common Code of 100488566, the ISIN of CA 628153AC27 and the CUSIP number of 628153AC2.

The LIL Series A Bonds have been accepted for clearance through CDS, DTC, Clearstream, Luxembourg and Euroclear systems with the Common Code of 100488612, the ISIN of CA 505443AA94 and the CUSIP number of 505443AA9. The LIL Series B Bonds have been accepted for clearance through CDS, DTC, Clearstream, Luxembourg and Euroclear systems with the Common Code of 100488647, the ISIN of CA 505443AB77 and the CUSIP number of 505443AB7. The LIL Series C Bonds have been accepted for clearance through CDS, DTC, Clearstream, Luxembourg and Euroclear systems with the Common Code of 100488655, the ISIN of CA 505443AC50 and the CUSIP number of 505443AC5.

ISSUERS

Muskkrat Falls/Labrador Transmission Assets Funding Trust
Labrador – Island Link Funding Trust

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GUARANTOR

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